

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

September 24-25, 2018

To: Chairman and Members, Hawaiian Homes Commission  
Thru: M. Kaleo Manuel, Acting Planning Program Manager  
From: Julie-Ann Cachola, Planner   
Subject: For Information Only--Draft Environmental Assessment  
for the DHHL Honomū Subsistence Agricultural Homestead  
Community, Honomū, District of South Hilo, Hawaii  
Island and Anticipated Finding of No Significant  
Impact (AFONSI) TMKs (3)2-8-011:009, 011, 019, and 999

Recommended Action

None; for information only.

Discussion

PURPOSE

The purpose of this informational briefing is to update the HHC on the status of the Honomū Subsistence Agricultural Homestead Community; to present summary highlights of the Draft Environmental Assessment (DEA); and to provide an opportunity for Commissioners to provide comments on the Draft Environmental Assessment (DEA) prior to publication in the Office of Environmental Quality Control's Environmental Notice Bulletin.

The DEA is attached as Exhibit A and will be posted on DHHL's website at:

<http://dhhl.hawaii.gov/po/honomu-subsistence-agricultural-homestead-community/>

BACKGROUND

In February 2017, the Hawaiian Homes Commission approved amendments to the Hawai'i Administrative Rules, Title 10, to allow small-lot agricultural homestead leases that are programmatically being administered as "Subsistence Agricultural" homestead leases. The site characteristics of

various DHHL tracts were assessed and Honomū was selected as the ideal location to implement the first Subsistence Agricultural Homestead community. Located in the Honomū and Kūhua ahupua'a in the South Hilo District of Hawai'i Island, DHHL's Honomū tract was selected because it has characteristics that can support successful agricultural ventures, including:

- **Accessibility:** Access to the entire property is from 'Akaka Falls Road which connects to existing unimproved cane haul roads that provide complete access to all corners of the property.
- **Rainfall:** With an annual range of 150 to 250 inches, rainfall is significant, allowing natural irrigation of crops.
- **Soil Quality:** Honomū has high quality soils that support agricultural cultivation.
- **Close proximity to agricultural support networks,** including the University of Hawai'i's College of Tropical Agriculture and Human Resources (CTAHR), Cooperative Extension Service and the Soil and Water Conservation District (SWCD).

The purpose of the Honomū Subsistence Agricultural Homestead Community ("the Project") is to award agricultural lots to beneficiaries on the Hawai'i Island Agricultural Homestead Waitlist. Beneficiary demand for agricultural homestead opportunities is very high; 48% of all Hawai'i Island homestead applications are for an Agricultural homestead lease. The Agricultural Waitlist is the longest of the three Waitlists. There are currently 7,193 applications for an Agricultural homestead lease on Hawai'i Island. The first 500 applicants on the Hawai'i Island Agricultural Waitlist have been on the waitlist since between 1952 and 1985. It has been 20 years since the last award of agricultural leases on Hawai'i Island.

DHHL's Honomū lands consists of three parcels, TMK: (3) 2-8-011:009, 011, 019, and 999, that straddle 'Akaka Falls Road, totaling 766 acres. Honomū was not part of the original HHCA; it became part of the Hawaiian Home Lands trust in 1994 when the State included it as part of its payment due for the State's breaches of the HHCA trust. The land is currently being used for pasture by two short-term licensees. A small portion of the property is in small-scale vegetable cultivation and about one-quarter of the property is unlicensed and fallow.

The project is proposed on DHHL lands and it will likely involve the use of state funds which triggers the preparation of an environmental assessment as prescribed by Hawai'i Revised Statutes, Chapter 343.

DRAFT ENVIRONMENTAL ASSESSMENT (DEA) SUMMARY

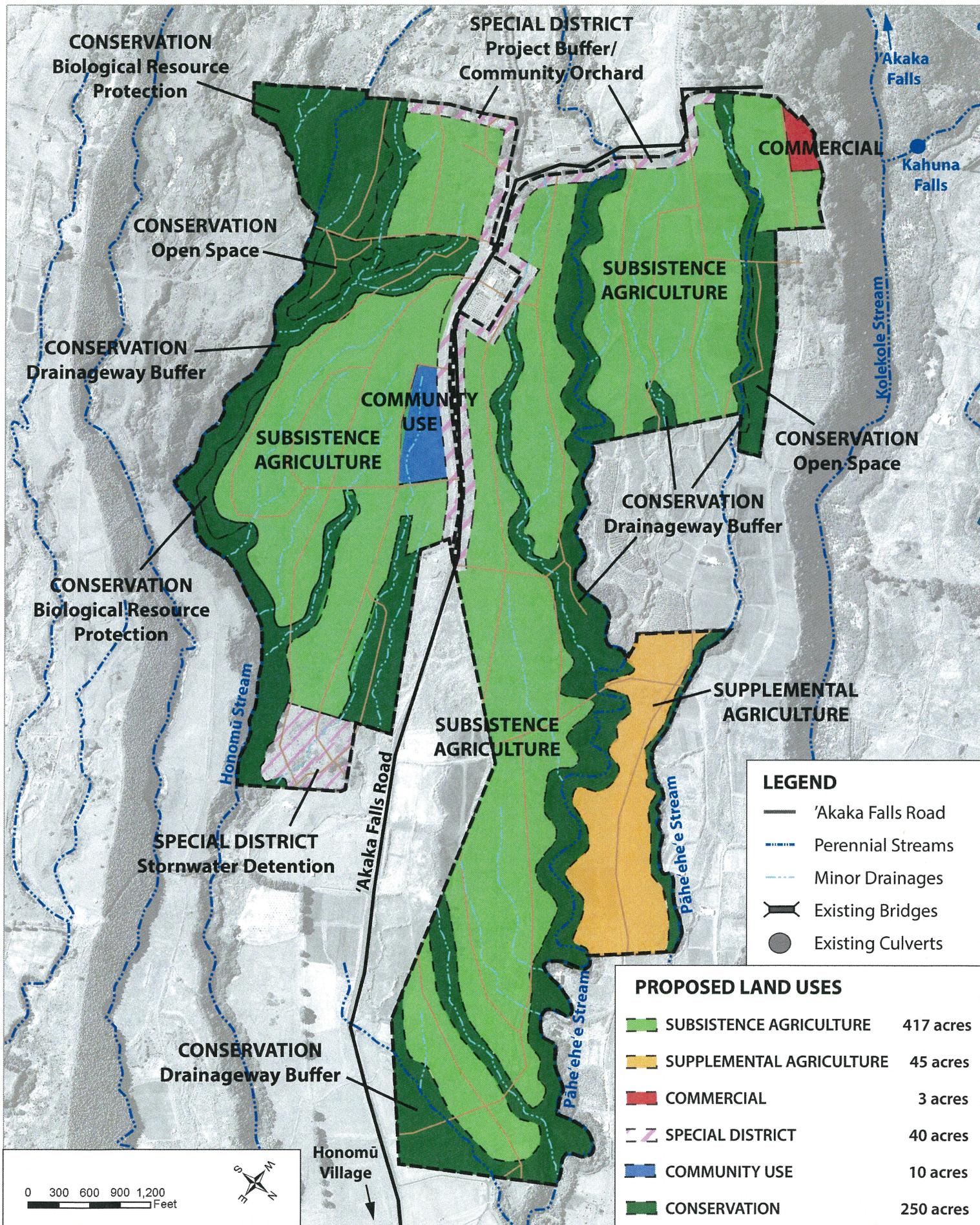
The DEA (Exhibit A) assesses the potential environmental impact of the proposed subsistence agricultural homestead community, as described below:

<b>Summary of Proposed Land Uses</b>	
<p><b>Subsistence Agriculture</b></p> <ul style="list-style-type: none"> <li>• Lots no larger than three acres in size. (55%)</li> <li>• Lessees are required to actively cultivate subsistence agriculture OR reside and cultivate subsistence agriculture on their lot.</li> <li>• Crops are expected to provide food to be consumed in the home or provide supplemental household income.</li> </ul>	<b>417 acres</b>
<p><b>Supplemental Agriculture</b></p> <ul style="list-style-type: none"> <li>• Larger-lots for supplement subsistence agriculture (6%) agriculture within the same homestead community. These larger lots would be for Subsistence Agricultural lessees who have fully cultivated their lot and have the desire and capability to cultivate more.</li> </ul>	<b>45 acres</b>
<p><b>Commercial</b></p> <ul style="list-style-type: none"> <li>• Land uses that are complementary to 'Akaka Falls State Park, that could include parking, scenic lookout, education kiosks, fruit stand, etc. (0.4%)</li> </ul>	<b>3 acres</b>
<p><b>Community Use</b></p> <ul style="list-style-type: none"> <li>• To provide a central gathering place for community-building land uses to be determined by the homestead community. (1%)</li> <li>• Possible uses include parks, community-based economic development, utilities, other facilities and amenities.</li> </ul>	<b>10 acres</b>
<p><b>Special District</b></p> <ul style="list-style-type: none"> <li>• Areas requiring special attention because of unusual opportunities and/or constraints. (5%)</li> <li>• Physical and visual buffers between 'Akaka Falls Road and the Project.</li> <li>• Stormwater management.</li> </ul>	<b>40 acres</b>
<p><b>Conservation</b></p> <ul style="list-style-type: none"> <li>• Environmentally sensitive areas, that include: steep slopes, areas for biological resource protection, drainageway buffers, and open space. (33%)</li> </ul>	<b>250 acres</b>
<b>TOTAL</b>	<b>766 acres</b>

The enclosed illustration (Figure 1-3, page 5 in the DEA) depicts the spatial layout of the proposed land uses. A more detailed description of the entire project and its potential impact to the surrounding environment and planned mitigation measures can be found in the DEA. In summary, these proposed land uses are not anticipated to have a significant impact on the surrounding environment. However, the lack of action will lead to an agricultural waitlist that continues to grow.

Infrastructure will provide for the health and safety of residents and visitors, but be appropriate for the rural nature of the Project:

<b>Proposed Infrastructure</b>
<p><b>Roads and Access</b></p> <ul style="list-style-type: none"> <li>• Rural standard roads: 10-foot travel lanes with 4-foot wide grassed swale and shoulder on each side of the road.</li> <li>• Not dedicable to the County.</li> <li>• Road right-of-way of 50-feet will be established to allow for future upgrades.</li> </ul>
<p><b>Grading and Runoff, Drainage, and Erosion Control</b></p> <ul style="list-style-type: none"> <li>• Adherence to County drainage requirements.</li> <li>• Development of a Master Drainage Plan in coordination with the Soil and Water Conservation District.</li> <li>• Streams and gulches designated as conservation areas.</li> </ul>
<p><b>Water Supply</b></p> <ul style="list-style-type: none"> <li>• Irrigation water supplied by natural rainfall (mean annual rainfall of 205 inches per year)</li> <li>• Domestic water supplied by water catchment tanks to be constructed by the lessee.</li> </ul>
<p><b>Wastewater Disposal</b></p> <ul style="list-style-type: none"> <li>• Individual wastewater systems to be constructed by the lessee, if they want to reside on the lot..</li> </ul>
<p><b>Solid Waste</b></p> <ul style="list-style-type: none"> <li>• Solid waste disposal to be the responsibility of each lessee.</li> </ul>
<p><b>Electrical Power</b></p> <ul style="list-style-type: none"> <li>• Electrical power will be provided by DHHL via overhead electrical lines along internal roads.</li> </ul>
<p><b>Communications</b></p> <ul style="list-style-type: none"> <li>• Communications, such as telephone and internet service, will be the responsibility of each lessee.</li> </ul>



## **Natural Resources**

Due to its long history of intensive sugarcane cultivation, a biological survey found the site to be dominated by non-native vegetation, with just a few native species present in certain areas of the site. A dozen native plant species and the native Hawaiian hawk ('io) were observed and it was assumed that the 'ōpe'ape'a (Hawaiian hoary bat) are present in the area. No endangered animals were observed in the project area during the study.

## **Historic and Cultural Resources**

A literature review and site inspection found that the majority of the Project area has been extensively modified by historic sugar cultivation and subsequent agricultural and ranching activities. No pre-Contact archaeological features were observed, although pre-Contact features may still be present within portions of the stream gulches that could not be accessed during the field inspection.

Historic transportation and sugarcane-related features were identified, such as 'Akaka Falls Road, Pāhe'ehe'e Mauka Bridge, unpaved cane roads, culverts, minor bridges, and plantation field berms. While no surface remains of the several known historic workers' camps were observed, associated subsurface deposits may still be present.

A Cultural Impact Assessment found that 'Akaka Falls is an important landmark, situated adjacent to the Project area, with historical, cultural, ecological, economic, and spiritual value to the people of Honomū. The existing agricultural community at Honomū is tight-knit and ethnically diverse, with a small, declining Hawaiian population. Cultural practices recalled by kūpuna included hunting, particularly for wild pigs, in the mountain areas above 'Akaka Falls and within the Project area. Honomū residents also gathered 'ōpae from the streams that flowed from 'Akaka Falls, but the practice has declined with new settlements and developments restricting access to streams and invasive freshwater prawns preying upon the 'ōpae.

All participants consulted in the Cultural Impact Assessment perceived the proposed Hawaiian Homestead as a positive development that will bring many benefits to Honomū, such as increasing the population of native Hawaiians in a town where the native Hawaiian population has been in decline. This, in turn, might bring back many Hawaiian cultural practices,

beliefs, and values to the area. In the long term, this project might facilitate the revitalization of Hawaiian culture in Honomū.

### **Hydrology and Drainage**

The three perennial streams located near the project area have been listed by the National Park Service as candidates for designation as a Scenic River under the National Wild and Scenic Rivers Act of 1968 which is meant to "preserve certain rivers with outstanding natural, cultural, and recreational values in a free-flowing condition for the enjoyment of present and future generations." Due to the high rainfall in the area, runoff and drainage is a concern for local residents of Honomū.

The Project will meet or exceed County drainage requirements by preparing a Master Drainage Plan in cooperation with the Soil and Water Conservation District. In addition, it the Project will set aside property for storm water retention; it will utilize grassed swales to control and convey runoff; and it will protect streams, gulches, and drainageways.

### **Infrastructure**

The Project site has no centralized wastewater service and individual wastewater systems will be the responsibility of the lessee. There is also no public water system, although Honomū Village, located makai of the DHHL property, has County water service. Water will be provided by natural irrigation and water catchment tanks that will be the responsibility of each lessee.

Vehicular access to DHHL's Honomū lands is via 'Akaka Falls Road, which is accessed from Old Māmalahoa Highway, Honomū Road, and Māmalahoa Highway, also known as the Hawai'i Belt Road (State Route 19).

There are existing joint power and communication poles along the south side of 'Akaka Falls Road, which may serve as the main power and communications trunk for the project area. Hawaiian Telcom also has facilities along 'Akaka Falls Road, but their service capacity is very minimal due to the existing landscape of homeowners in the area.

### **DHHL Planning System Consistency**

The DEA also addresses the proposed project uses for consistency with existing plans and applicable land use

policies. The DHHL Hawai'i Island Plan, completed in 2002, identified Lower Pi'ihonua as the priority tract for Subsistence Agriculture use on that island. Since then, additional site development planning revealed inadequate access. The improvements that would be required to allow for access were determined to be cost-prohibitive. DHHL evaluated its other lands on Hawai'i Island and concluded that the Honomū tract was ideal for a subsistence agricultural homestead community.

### **Anticipation of a Finding of No Significant Impact**

Based upon the analysis completed in the DEA, staff anticipates a finding of no significant impact for the Honomū Subsistence Agricultural Homestead Community. This determination is based upon the 13 criteria of significance that approving agencies must consider as specified in Hawai'i Administrative Rules 11-200-12. An analysis of the 13 criteria of significance is presented below:

1. Involve an irrevocable loss or destruction of any natural or cultural resources.

The proposed Project is not expected to adversely impact any natural or cultural resource. Technical studies have been conducted to assess the potential impact of the proposed Project on fauna and flora, as well as cultural and archaeological resources on DHHL's Honomū lands. These studies have found that the property was previously under long-term, intensive sugar cultivation and has since been used for farming and pasture, limiting the expectation of finding pre-Contact archaeological or cultural features, or significant native habitats.

Any negative impacts may be mitigated through management protocols developed with the lessees; continued coordination with the State Historic Preservation Division; and designation of streams, gulches, and biologically promising areas as conservation.

2. Curtail the range of beneficial uses of the environment.

The proposed Project is not expected to curtail the range of beneficial use of the environment by placing native Hawaiians on the land and by designating streams, gulches, and areas with the potential for native habitat restoration as conservation.

3. Conflict with the state's long-term environmental policies or goals and guidelines as expressed in Chapter 344 HRS, and any revisions thereof and amendments thereto, court decisions, or executive orders.

This proposed project does not conflict with the state's long-term environmental policies or goals and guidelines. Potential adverse impacts are associated with short-term construction activities that will be mitigated through compliance with regulatory guidelines and use of best management practices. In the long term, the Project conserves natural resources by protecting potentially sensitive environments on the property and provides an opportunity for native Hawaiians to improve their quality of life through agricultural subsistence.

4. Substantially affects the economic or social welfare of the community or state.

The proposed project will be beneficial to the economy and social welfare of the state by providing opportunities for native Hawaiian beneficiaries to obtain homestead leases at \$1.00/year for 99-years, and to receive other programmatic supports that increase crop production and build capacity for homesteaders to engage in subsistence agricultural activities and to possibly reside on the lot. The lessees provide an additional customer base for the existing commercial businesses within Honomū Village and other nearby towns.

5. Substantially affects public health.

The proposed project will have short-term construction-related impacts on noise and air quality, but they will be mitigated by compliance with Department of Health regulations. Long-term impacts on public health will be mitigated through wastewater disposal accommodated by individual wastewater disposal systems that are approved by the DOH, surface water runoff managed by a Master Drainage Plan, and streams and gulches protected as conservation-designated areas. DHHL is also providing an agricultural extension agent to work with its Hawai'i Island agricultural lessees on crop selection and agricultural practices on a long-term basis.

6. Involves substantial secondary impacts, such as population changes or effects on public facilities.

The Project will increase the population of Honomū, but based on the experience of previous DHHL agricultural homesteads, only 50% of the lots are expected to result in residences. However, all of the lessees, regardless of whether or not they ultimately reside in Honomū, will be required to pay property taxes on their lot, which will contribute toward public facilities and services.

Traffic improvements will be necessary and DHHL will work with the State DOT and County Department of Public Works to determine the appropriate mitigation necessary. Wastewater will be managed through DOH-approved individual wastewater systems so there will be no impact on public wastewater treatment facilities. Similarly, water will be supplied by individual catchment systems, so that the current County water system will not be impacted.

7. Involves a substantial degradation of environmental quality.

Construction activities will cause some impacts to air quality, noise, and traffic in the area of the project, but these are temporary in nature and will be mitigated by best management practices in accordance with State and County regulations. Potential impacts to surface water and drainage will be mitigated by a master drainage plan that is being developed to minimize erosion and manage runoff. Furthermore, roughly 30 percent of the project site will be dedicated to conservation uses in order to protect streams and drainageways and to provide areas for surface water detention/retention during high rainfall events.

8. Is individually limited but cumulatively has considerable effect upon the environment or involves a commitment for larger actions.

The proposed Project is not expected to have a significant negative cumulative effect upon the environment. Rather, the project will reestablish farming on the property, which was previously in intensive, large-scale sugar cultivation. DHHL does not have any

other projects in the vicinity and this project does not commit DHHL or others to additional actions.

9. Substantially affects a rare, threatened or endangered species, or habitat.

Other than a pair of endangered Hawaiian hawks that were observed circling overhead, there are no known threatened or endangered species or associated habitats on or near the property. Even then, the stream gulches and southwestern corner of the property, which has the potential for native plant habitat restoration, is proposed for conservation. Additionally, best practices will be carried out to protect against potential impacts to the Hawaiian hoary bat, Hawaiian hawk, and seabirds that may fly over the property.

10. Detrimentally affects air or water quality or ambient noise levels.

Construction activities will cause some impacts to air quality, noise, and surface water in the area of the project, but these are temporary in nature, will follow appropriate regulations, and will be mitigated by best management practices in accordance with State Department of Health and County of Hawai'i guidance. Potential impacts to surface water quality will be mitigated by a master drainage plan that is being developed to minimize erosion and manage runoff.

After construction, the Project is not expected to have a detrimental impact on air quality or noise levels. There may be a slight increase in impervious surfaces due to the construction of roads, houses, and community facilities, but any additional runoff will be contained on-site through drainage features identified during the development of a master drainage plan. This master drainage plan will identify features and practices to minimize erosion. DHHL is also providing an agricultural extension agent to work with its Hawai'i Island agricultural lessees on crop selection and agricultural practices on a long-term basis.

11. Affects or is likely to suffer damage by being located in an environmentally sensitive area such as flood plain,

tsunami zone, beach, or erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal water.

The Project is not located in an environmentally sensitive area. It is located outside of the flood plain, tsunami zone, beach area, geologically hazardous land, estuary and coastal water. While there are perennial streams that run through and near the property and there is the potential for some erosion on-site and in the gulches, a master drainage plan is being developed to manage both runoff and erosion. Conservation areas have also been designated around the gulches.

12. Substantially affects scenic vistas and view-planes identified in county or state plans or studies.

The site is not located in an area that has been identified as a scenic view plane or area of natural beauty by the County or State and it contains no significant geographical points, such as pu'u. The area was previously under intensive sugar cultivation and is proposed for subsistence agriculture. Lessees may choose to build a house on their lots, but they will be restricted to single family homes. An open space buffer is proposed to shield views from 'Akaka Falls Road to the subsistence agricultural lots.

13. Require substantial energy consumption.

The new agricultural activities and homes will increase energy consumption but is not anticipated to require substantial energy requirements when compared with other similar projects.

#### NEXT STEPS FOR EA COMPLETION

The following is a list of anticipated next steps and milestones in the completion of the EA.

- DEA anticipated to be published in the October 8, 2018 OEQC bi-monthly bulletin
- 30-day public comment period on the DEA ends November 7, 2018;

- Revise DEA per public comments and complete Final Environmental Assessment (FEA) (November 2018);
- Present FEA to HHC; HHC issues Finding of No Significant Impact (FONSI) declaration for the project (November 2018)
- HHC FONSI declaration for the project and FEA submitted to OEQC for publication in OEQC bi-monthly bulletin. (December 2018)

NEXT STEPS FOR OVERALL PROJECT IMPLEMENTATION

In addition to the completion of the FEA and HHC declaration of FONSI for the project in accordance with Hawaii Revised Statutes Chapter 343 and HAR 11-200, the following actions will need to be implemented:

- Complete Master Plan and lot layout.
- Obtain Agricultural Project District and lot TMKs from the County of Hawai'i.
- Complete Master Drainage Plan with the Soil and Water Conservation District
- Coordinate with various State and County agencies:
  - State Department of Transportation - traffic mitigation and access points to the Project site.
  - State Historic Preservation Division - ensure compliance with historic preservation laws.
  - State Department of Health - wastewater disposal compliance.
  - U.S. Department of Agriculture - rural development loans.
- Continue to coordinate with the existing Honomū community.

Sufficient budget will need to be allocated by the HHC and DHHL to implement the Project. Furthermore, a willingness by current and future decision-makers to follow through with various aspects of the Honomū Subsistence Agricultural Homestead Community will be needed to ensure successful implementation.